## Questions and answers for Accounting System RFP

1. Legal Entities: Kern Health Systems & Kern Family Foundation. Can you please clarify if the Family Foundation will operate under the same hosted environment? Would it be a single implementation or a separate one?
   *Two entities: Kern Health Systems and Kern Family Foundation*

2. For Pricing, are you looking for a five-year pricing on the SaaS?
   **Yes**

3. We Usually Provide detailed one-time implementation costs based on T&M, plus travel expenses all detailed and a total cost. (total all-inclusive cost). We have been meeting and coming in less than these detailed costs. Will that be agreeable to KHS? if a Special District like yours requires FIRM FIXED FEES the price goes up 20%.
   **Our preference is a fixed price bid**

4. It would be helpful to have a bit more context as to the current and desired future usage related to SAP Concur. Within Attachment 2, (requirements excel sheet), Concur is listed as "Yes" for "To Be Replaced/In Scope." Within the "Procure 2 Pay" tab, it appears as if KHS desires Expense Reimbursement functionality within the proposed system. However, we would like to clarify what type of data would need to be exchanged between New ERP and Concur. In other words, would your employees enter expense reimbursement submissions in the new ERP, or still within Concur? If expense reimbursement is deployed within the new ERP system, what functionality would remain within Concur?
   **Everything would need to be in the new system. Concur will not continue to be used.**

5. Regarding the "Business Analytics" tab, should we estimate the effort that would be needed to export ERP data to your SAP BO data warehouse? Would KHS optionally consider using a modern, cloud-based data warehouse more tightly aligned with the proposed ERP system instead of integrating with Business Objects?
   **KHS maintains an Enterprise Data Warehouse (EDW) environment and Operational Data Store (ODS), where all data, including ERP data, is required to be integrated for analytics, reporting, and business processing. Vendors must demonstrate one or more viable methods of full data extraction such as the use of a REST API, replication, data exchange, or other suitable methods required for this data integration.**

6. Can KHS provide a brief summary of how MS Service Manager is used for Approval Workflow as related to ERP processes?
   **No integration with MS Service manager currently exists. We would like to know if the solution integrates with MS Service manager or other ticketing systems. We will also review PO Approval workflow to determine if it could replace MS Service Manager.**

7. Regarding #17 from the RFP, timeline, would have observed a desire to be live on a new system within less than 12 months from anticipated contract signing. Is there a significant business reason driving KHS towards needing the new system to be live by that time? If so, could KHS please elaborate as to the issues driving the need for a new system within that timeline?
   **Therea re some anticipated operational changes driving the timeline but KHS could have some flexibility.**

8. Regarding the Professional Services Agreement, section 13.2 Data Protection and Geographic Restrictions, we would like to inquire if there is some flexibility as to the delivery of services and their location. We would explain that as a proposed cloud solution, all KHS data would reside within the United States. However, our team consists of a number of high-level experts who reside in Canada and would access the ERP system using the same security protocols and standards as someone in the USA. Would KHS allow for such individuals to be working remotely from Canada only, given that all data security and access protocols would be the same as someone working in the USA, and that no data will leave the cloud systems located in the USA?
   **Remote employees in Canada are not an option (No consultants out of the country)**

9. In order to provide an opportunity to develop the most comprehensive proposal possible, would KHS consider extending the deadline for submission to no sooner than Wednesday, February 5, 2025?
   **We are on a timeline to go to Board for approval in April and do not have the flexibility to extend the timeline.**

10. Page 9 – Current Systems in Place
    a. OCR – Are you using SAP Concur Invoice (AP invoice capture and approval workflow)?
       i. If yes, are you considering replacing this with native ERP AP invoice capture and automation?

    **Yes, we are using bill capture and approval workflow in SAP Concur but would like to see that functionality be part of the new ERP System**

11. Attachment A2 – Company Information
    a. Are the 24 Approval Only users included in the 40 Transacting Users?
        Note – Sage Intacct has Business Users (sold individually) and Employee Users (sold in packs of 10). Employee users are read only but can transact with workflow approvals.
    b. Do the 40 Transaction Users include the budgeting Users?
        Can you provide a breakdown of budgeting users in the categories below?
        1. Administrators creating the budget - **5**
        2. Contributors only entering budget data - **40**
        3. View only users - **40**

12. Attachment A2 – Entity Structure
    b. Are you looking to have the Kern Family Foundation entity moved to the new ERP?
        i. If yes, does this entity share the same chart of accounts structure as Kern Health Systems?
        **Yes**

13. Attachment A2 – Company Information
    c. Row 27 Inventory Management – Can you describe the requirement further for managing Inventory?
        i. Is this for internal supply inventory only or are you selling inventory?

        **No inventory requirements**

14. Attachment A2 – Projects
    d. Can you describe the projects you are managing in the ERP system (looks like they are internal projects)?
        **We do not currently manage projects in our ERP but would like to manage internal projects in ERP**

15. Attachment A2 – Fixed Assets
    e. Do you CIP (Construction in Progress) tracking needs within the Fixed Assets module?
        **CIP would be required.**

16. Do you need the new ERP to have HIPAA compliance and the vendor to sign a Business Associate Agreement?
    **Yes**

17. Questions in reference to "Kern Health Systems Request for Proposal Submission Checklist"

- For the vendors who are selected to move past the proposal stage:

  a. will vendors have the opportunity to present live demonstrations in person or remotely?

  **Either are an option, depends on scheduling**

- Will vendors have the opportunity to meet with the KHS stakeholders prior to any demonstrations to ask questions, coordinate agendas, and discuss other potentially relevant items, services, or experiences not directly referenced in the RFP?

  **Depending on scheduling (If a vendor is chosen to move forward with a comprehensive demonstration, they will have the opportunity to review any questions and coordinate on demo agendas.)**

18. Questions in reference to "Professional Services Agreement"

- Will the final statement of work for implementation or managed service agreement need to be a contract provided by KHS?

  **KHS will provide contract**

- Is KHS willing to include additional language to the PSA assuming KHS's legal team is in agreement?

  **KHS will consider**

19. Questions in reference to "KHS RFP - Attachment A2"

- Do vendors need to provide a response to lines with a priority level of "N/A"? **No**
- How many EPM users will be needed? **40 – See above Question 11**
  - Generally, we see a user per person involved in the budgeting process which could include the finance team, accounting team, execs, and departments heads

  - "Procure 2 Pay" tab

  - Cell A21: "Purchase Contract / Ability to Store Terms and Conditions"

  - Please Describe and provide examples of required terms and conditions management.  Please describe the use case for a CLM system i.e. IntelAgree **No Integration from IntelAgree to the ERP is required nor is there a need to provide similar functionality**

  - Cell A48: "Integration to Concur.com"? **KHS will not be using Concur**
  - Is the end goal for the ERP to take ownership of OCR and the majority of the AP process, and keep Concur for expense management? **Yes to ownership of OCR but Concur will not be kept**
  - How many employees need the ability to submit requisitions or purchase requests in the ERP? **40**

- What is the average monthly volume for the following: Purchase Requests, Purchase Orders, Item Receipts, Vendor Bills, Bill Payments, or other AP

- "Order 2 Cash" tab
  - **Revenue is recognized immediately at period end. Disregard cells A61, A63, A64, A65.**
- Cell A61 "Straight Line - Ratably Over Term"
  - Please describe and provide examples of Revenue Recognition
    **Revenue is recognized immediately at period end. Disregard cells A61, A63, A64, A65.**

- Cell A62 "Immediate Recognition"
  - Please describe and provide examples of Revenue Recognition Requirements
    **Revenue is recognized immediately at period end. Disregard cells A61, A63, A64, A65.**

- Cell A63 "Event-Based (e.g. Fulfillment)"
  - i. Please describe and provide examples of Revenue Recognition Requirements
    **Revenue is recognized immediately at period end. Disregard cells A61, A63, A64, A65.**

- Cell A64 "Revenue Allocations"
  - Please describe how revenue allocations would be used without fair value allocations
    **Revenue is recognized immediately at period end. Disregard cells A61, A63, A64, A65.**

- Cell A65 "Fair Value Assignments"
  - Please describe how revenue allocations would be used without fair value allocations
    **Revenue is recognized immediately at period end. Disregard cells A61, A63, A64, A65.**

- "Projects" tab
- Cell A6 "Internal Projects"
  - Please provide examples of internal projects including milestone and task structures
    **For the purposes of this procurement, the ability to load a budget with some high-level tasks with actuals recorded against them is all that is required.**

- Cell A14 "Job Costing"
  - Please describe the use case for job costing
    **Job Costing will not be used**

- Cell A15 "Billing Rate Cards"
  - Please provide examples of billable projects and bill methods
    **No billable projects**
- Cell A18 "Time Entry from 3rd Party"
  - What third party solution is referenced here?
    **Time will not be brought into the ERP from a 3ʳᵈ party system**
- Cell A22 "Allocated Overhead to Project"
  - Please describe the approach to allocating overhead to projects
    **OH will not be allocated to Projects**
- "Fixed Assets" tab

- Cell A11 "Asset Serialization / Tags"

- Please describe the asset tagging requirement as it relates to the Fixed Asset System
  **asset tagging required – a KHS assigned sticker is used for all assets meeting the capitalization threshold (currently, $5k)**

20. Questions in reference to "KHS RFP – Attachment A3"

- Oracle policy requires a mutual confidentiality agreement to be in place before providing 3ʳᵈ party audit reports for ISO 27001, SOC, etc. which has been asked to be included in the RFP response/proposal.
  a. Is it possible for Oracle & KHS to have a mutual confidentiality agreement in place prior to the proposal's submission due date of 1/31?
    **Not prior to proposal**

21. Would you be open to consolidating your HR and Payroll systems (currently managed through Ceridian) with your new ERP platform, so it is all one system?

    **Not at this time, although possible in future.**

22. Would you be willing to sign a mutual Non-Disclosure Agreement?

    **Not prior to the proposal**

23. What criteria will be used in the decision-making process for selecting a new platform?

**1. Vendor software functionality relative to KHS requirements**

**2. Vendor-implementation partner. Track record and experience relevant to KHS business model**

**3. Cost of implementation and time to implement.**

24. Will there be a scoring system for evaluating RFP responses? If so, would you be willing to share the scoring framework?

**Scoring system will be based on the answer to question 23**

25. What key metrics will determine the success of this project (e.g., cost savings, operational efficiency, user adoption, etc.)?

**The system meets all user requirements, generate operating efficiencies and where possible generate cost savings.**

26. Would you be open to replacing Concur with expense management and accounts payable functions?

**Yes**

27. Could you provide more details on the customer functionality within the ERP system? Specifically, could you share an example of the types of customers you are billing (we assume these are non-patient related)?

**Customers are institutional, and there is no current requirement to store HIPAA protected data, but this may change, and HIPAA compliance is required.**

28. Would you be able to provide an IT systems landscape map? Some prospects prefer to collaborate with us on this, and we are happy to assist in this exercise.

**We will not provide this information at this time.**

29. Following the vendor down-selection from RFP responses, would you be willing to engage in a Discovery session, followed by functional demonstrations?

**Yes**

30. Would you be open to hosting an on-site demonstration with the down-selected vendors?

**Virtual demo is acceptable and onsite is based on schedule**

31. Would you be open to an executive alignment session between your project sponsors and our executives?

**Yes, once the vendor is selected**

32. How do you envision your IT team's involvement in the project?

**Project will be led by the functional team, with IT involved in administrative level and where otherwise needed.**

33. What is the composition of the project team at KHS?

**Process SME's processes functional leaders. PMO will be provided for this.**

34. Do you anticipate future growth at the organization in terms of both revenue and headcount over the next 5-10 years? If so, what does that growth look like?

**Steady Growth**

35. How important is Customer Services from a new partner vendor?

**We require the vendor or implementer to provide ongoing support for the system**

36. What types of billable projects are you performing?

**For internal projects only, not billable**

37. In the ERP System RFP 2023-12112023.pdf document, on page 1 the submission checklist - As this is an electronic submission, can KHS confirm electronic   signatures will be accepted for the deliverables requiring signatures?

**Yes**

38. In the Attachment 2 document, under Company Information Tab - Can KHS confirm that this tab is information only and bidders would not input their information?

**No information required from bidders**

39. In the Attachment 2 document, under Entity Structure Tab - Can KHS confirm that this tab is informational only and bidders should not input their information?

**No information required from bidders**

40. In the Attachment 2 document, under Various Tabs (Record 2 Report, Procure 2 Pay, Order 2 Cast, Projects) - Within each of these tabs there are several
     capabilities/requirements that KHS has listed the Priority level as "N/A" - Can bidders assume these capabilities are not in scope? How should bidders respond to these?

**Yes, bidders can consider these as part of the demonstration, but they are not in scope**

41. In Attachment 2, under the Record 2 Report tab, row 29 - There is a comment included in this row that states "See FP and A tab" but it is not clear what specific reference on the FP and A tab bidders should refer to. Could KHS provide additional clarification?

**The FP&A tab refers to the EPM requirements for KHS, the Record to Report tab contains high-level reporting requirements only.**

42. In Attachment 3, under questions #94 - #96 - Can KHS elaborate on what the question is for each of these?

# 94 – Does the vendor have any formal declaration that verifies compliance with specific regulations of standards.

**Attestation relates to standards such as SOC2, HIPAA Compliant, ISO 27001, and GDPR compliance.**

 # 95 – Will resources from the vendor side handling PHI / PII data will be in the continental US

**Reliance on Continental US resources for Development and Support for Areas that support/involve PHI/PII**

 # 96 - What type of security measures do the vendor have in place to secure portable media AND/OR personal devices, security such as: data encryption, password protection, antivirus software etc.

**Security Measures in Place for Portable Media and Personal Device Use**

43. What types of leases do you have? Equipment? Real estate?

**Operating leases only: Equipment, facilities, software**

44. Are you currently reviewing Sage Intacct with another Sage Reseller?
**RFP is not restricted**

45. Would you like to have Acumen present Sage Intacct as we know your business as well as your existing Sage 300 system?
**RFP is not restricted**

46. System Requirements and Cloud Environment

• Does KHS have specific data residency or data security compliance requirements that the ERP system must adhere to (e.g., data must reside within the U.S.)?

**Yes, must reside in the US**

• What is the expected number of core users of the application? Core user is defined as a user expected to transact (enter information) into the system.

**25**

• What is the number of expected self-service users? Is self-service defined as approval only or reporting only users?

**40**

47. Financial Management and Compliance

• Could KHS elaborate on the level of consolidation required between different entities and how this consolidation should be structured in the new ERP system? Will the need for consolidation evolve as the business expands?

**No current consolidation but it may change as business needs evolve.**

• What specific reconciliation processes are currently in place, and are there any additional or enhanced reconciliation features you would like in the new ERP system?

**Currently outside the system and there's interest in exploring reconciliation functionality in the system**

• For the approval workflows in the record-to-report process, can KHS provide more details on the routing and approval matrix (e.g., what criteria are used for approvals)?

**It's hierarchical by role, function, value**

• Can KHS clarify the expected requirements for amortization and allocation processes within the ERP system (e.g., frequency, complexity)?

**Schedule driven amortizations. Allocation based on dynamic or fixed ratios, monthly frequency.**

• What is the current process for handling bank reconciliations, and are there any improvements KHS is looking for in the new ERP system?

**Currently performed outside ERP, seeking to incorporate this process in regular operation of system.**

48. Budgeting and FP&A

• Can KHS provide further details on the budgeting scenarios needed? Specifically, what departments/functions and programs need to be included in the budget models?

**Currently performed outside ERP, seeking to incorporate this process in regular operation of system.**

• What tools or features would KHS like to see for managing capital expenditure (CapEx) planning, tracking, and reporting?

**Currently performed outside ERP, seeking to incorporate this process in regular operation of system.**

• Are there specific reports or KPIs related to budgeting and forecasting that KHS would like to improve or automate?

**Currently performed outside ERP, seeking to incorporate this process in regular operation of system.**

49. Procure-to-Pay Process

• What is the current process for handling purchase requisitions, orders, and approvals? Are there any inefficiencies or manual processes KHS would like to address in the new ERP system?

**Contain the submission and approvals process within the system, incorporating automated reminders, and streamlined workflows.**

• How would KHS like vendor bills and payments to be managed? Does KHS have any preferences for integrating vendor management directly into the ERP system?

**Vendor bills are managed through an OCR process, to a detailed subledger. Approval processes directly leveraged through the system. Payments are automated through connection to financial institutions or payment tools.**

• Can you provide more information on KHS's expectations for payment automation and how this should integrate with your banking systems (e.g., Wells Fargo)?

**Automated ACH and Wire payments, initiated by the system. If a vendor portal is leverageable, then it should be included in any demonstration**

• What specific functionality is required for managing credit card transactions and expense reporting within the ERP system?

**Automated creation of credit card purchase transactions, with the same classification and coding requirements as vendor bills.**

50. Expense Reporting

• Can KHS provide more specifics on how expense reports are currently handled within SAP Concur? What integration features or data synchronization capabilities should be prioritized between Concur and the ERP system?

**Submitted via expense categories with required support documentation, and subject to approval workflow.**

• What approval workflows are in place for expense reports, and how would KHS like these workflows to be automated or streamlined in the new ERP solution?

**Approval workflows follow employee hierarchies, departmental review, and approval by the accounting department.**

51. Order to Cash and Integration with Claims Systems

• How does KHS currently manage integration with Cognizant Trizetto QNXT for claims and eligibility data? What improvements or additional functionality are needed in the new ERP system to streamline this process?

**Manually integrated via CSV imports. Data set requires manipulation and augmentation before it can be imported to the ERP.**

• Are there specific requirements for periodic journal entries summarizing results from the claims/eligibility system? How often does this integration need to occur?

**There are specific requirements that are journaled monthly**.

52. Project Management

• Can KHS describe its current processes for internal project management, including resource allocation, contract management, and cost tracking? How would KHS like these features to be enhanced in the new ERP?

**Managed via a third-party application for all resource management and progress tracking. Costs are capitalized at the end of projects if required.**

• How does KHS handle capitalization of internal projects? What integration with financial reporting and budgeting is needed in this regard?

**Project budget to actuals tracking to be created across both ERP and PMO tools, with corresponding naming conventions and reporting**.

• Does KHS have specific performance tracking and metrics they would like to see implemented for project management?

**Performance against budget requirements and forecasted timelines.**

53. Integrations with Existing Systems

• Could KHS clarify the scope of the required integrations with existing systems like Ceridian (Payroll), Wells Fargo (Banking), Microsoft System Center (Task Ticketing), and IntelAgree (Contract Management)?

**Payroll - Sync of employees for approval purposes. Sync of payroll journal entries where possible.**

**Banking - Daily Statement data, and Payments Automation**

**Task Ticketing - Current management of internal communication with non-ERP users.**

**Contract Management - Document and Status Management. Progress tracking.**

• Are there any anticipated challenges or areas where data exchange between these third-party systems and the new ERP needs to be optimized or enhanced?

**No current integration**

• How would KHS like these systems to interact with the new ERP solution (e.g., real-time data synchronization, batch processing, or manual interventions)?

**Scheduled Sync processes**

• Do you expect to use a single sign on? If yes, what is the current method of validation.

**No current SSO requirements**

• Are there any other banks in scope beyond Wells Fargo?

**No other current requirements**

• Where is the master system for HCM data? Ceridian, or other? Is there an expected integration for users and HCM records?

**Required only for access**

54. User Experience and Accessibility

• What is KHS's current approach to user access and permissions across departments and entities? Are there any specific role-based security requirements that need to be implemented in the new ERP?

**Users will be allocated roles by function and other required restrictions. All roles will be subject to the same security requirements (MFA)**

• Can KHS provide more details on their user experience requirements? Specifically, are there any expectations around the ERP system being user-friendly for non-technical users?

**User interface must be user-friendly for non-technical resources. Ease of use will be a significantly weighted factor in the chosen system.**

55. Costs and Licensing

• Can KHS provide more clarity on the preferred licensing model for the ERP system? Are you looking for a subscription-based, pay-per-user, or enterprise-wide licensing model?

**Open to discussion regarding the model**

• Can KHS provide number of users using the ERP system; i.e., advanced/power users, core users, self-service users?

**25 Full License, 40 Service Center**

• What is KHS's budget range for this project, and are there any specific budget constraints or financial limitations that we should be aware of?

**Budget not disclosed**